

Rates & Market Updates

January 8, 2018

INDEX	RATE	INDEX	AVG.	INDEX	RATE	INDEX	RATE
5-Year U.S. Treasury	2.284%	DOW	25,266	1-Month LIBOR	1.553%	5-Year SWAP	2.324%
10-Year U.S. Treasury	2.473%	S&P 500	2,742	3-Month LIBOR	1.704%	7-Year SWAP	2.385%
30-Year U.S. Treasury	2.802%	NASDAQ	7,151	Prime Rate	4.500%	10-Year SWAP	2.461%

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TERM	INSURANCE RATE	FANNIE MAE RATE	FREDDIE MAC RATE	BBTREF RATE	HUD 223(a)(7)	HUD 223(f)	HUD 221(d)(4)
5-Year Fixed	3.35% - 3.55%	4.30% - 4.86%	4.14% - 4.67%	4.10% +/-	CALL	CALL	CALL
7-Year Fixed	3.50% - 3.75%	4.20% - 4.76%	3.96% - 4.46%	4.25% +/-	CALL	CALL	CALL
10-Year Fixed	3.70% - 4.20%	4.24% - 4.84%	4.00% - 4.48%	4.35% +/-	CALL	CALL	CALL
15/20-Year Fixed	4.10% - 4.50%	4.36% - 5.02%	CALL	CALL	CALL	CALL	CALL
35/40-Year Fixed	N/A	N/A	N/A	N/A	CALL	CALL	CALL

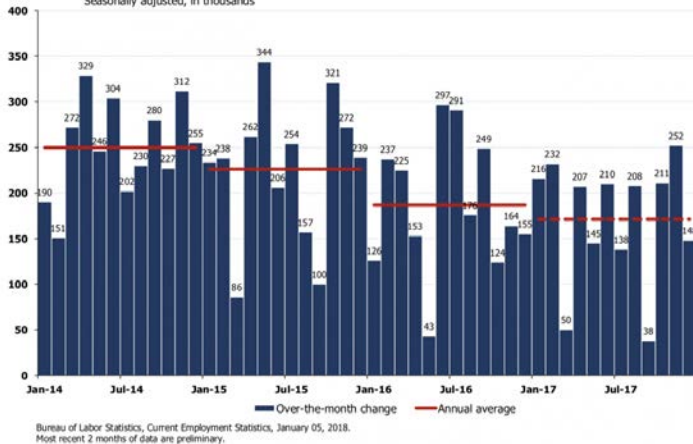
Indicative Rates | Data Sources: Fannie Mae, Freddie Mac, BB&T Real Estate Funding Stabilized Fixed Rate, FHA/HUD; as of 1-8-18

The Week Ahead

Industry News

- [CRE Originators Expect 'Strong' 2018](#)
- [2018's Retail Outlook Can Be Summed Up In 3 Words – Reduce, Reuse, Recycle](#)
- [Economists React To December Jobs Report](#)

Employment in total nonfarm
Over-the-month change, January 2014–December 2017
Seasonally adjusted, in thousands



- [New Tax Law Poised To Pull Multifamily Back From Edge Of Fiscal Cliff](#)
- [Tight Labor Market, Rising Costs Could Exacerbate Construction Delays In 2018](#)
- [New York, Los Angeles Both Rated Top U.S. Cities For CRE Foreign Investment](#)
- [Economy's Expansion Isn't Over Yet](#)
- [Fed Plans To Raise Rates In 2018 But Lacks Consensus On Frequency](#)
- [Urban vs. Suburban CRE Investment](#)
- [U.S. Stocks Wobble After Starting 2018 On A High Note](#)
- [CMBS Delinquency Rates Falls Sharply In December](#)
- [By All Measures, A Construction Boom Is Shaping Up For 2018](#)
- [Fed Officials Are Already Plotting How To Combat The Next Downturn](#)
- [Fannie-Freddie Overhaul Might Mint Hedge Fund Riches, Losses](#)

- [MBA released its Third Quarter 2017 Commercial/Multifamily DataBook](#)

Highlights include:

- Commercial real estate and finance markets were strong and steady during the third quarter, with fundamentals holding tight, prices still climbing, finance activity growing and loan performance extremely strong. But, a slowdown in sales transactions warrants attention as a potential symptom of a broader "downshift" in the pace of growth.
 - The U.S. economy continues to grow, with both the second and third quarters recording seasonally adjusted annual real GDP growth rates above three percent, the report said. This growth further tightened the labor market. The economy added 228,000 jobs in November and the unemployment rate held steady at a low 4.1 percent.
 - Commercial real estate fundamentals generally remained stable during the quarter, with steady office and retail markets showing little change in vacancies and moderate increases in asking rents and tight apartment markets continuing to—on average—drive rents higher.
 - Commercial property sales activity through the first nine months of the year was 5 percent lower than the same period in 2016, with four of the five major property types seeing declines. Compared to the same period in 2016, the sales pace through September was 20 percent lower for hotels, 19 percent lower for retail, 9 percent lower for apartment and 6 percent lower for office properties. Only industrial saw a pick-up in activity, by 23 percent.
 - In contrast, property prices have continued to grow. As of October, property prices for industrial and multifamily properties were both up an average 10 percent compared to a year earlier. Prices of central business district office, suburban office and hotel properties were all 5 percent higher and retail prices were 2 percent higher. Averaged across all property types, prices in September were 7 percent higher than a year earlier.
 - Borrowing and lending associated with commercial and multifamily real estate increased again in the third quarter, even as sales transaction volume slowed. Most property types and capital sources saw stronger lending activity than a year earlier, supported by solid property fundamentals and continued property value appreciation.
- The report is available for download, free of charge, at [MBA's web site](#).



Pricing for a specific real estate project will depend on many factors, including asset quality, LTV, property cash flow, loan size, sponsorship at loan structure. The included rate table is based on current market conditions and is subject to change. Loans are subject to credit approval. Equal Housing Lender.

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